

Message Text

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44

ACTION EB-11

INFO OCT-01 NEA-10 ISO-00 AID-20 CIAE-00 COME-00 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 SS-20 NSC-10 L-03 IO-14

SCI-06 INT-08 DRC-01 /149 W
----- 014223

R 161530Z NOV 73

FM AMEMBASSY NICOSIA

TO SECSTATE WASHDC 7980

INFO AMEMBASSY ANKARA

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EO 11653: NA

TAGS: EAID ECON CY IBRD

SUBJECT: IBRD PAPHOS WATER DEVELOPMENT PROJECT LOAN

REF: NICOSIA 2254

1. GOC DELEGATION (SEE REFTEL) INITIALED \$14 MILLION IBRD LOAN FOR FIRST STAGE OF PAPHOS WATER DEVELOPMENT PROJECT ON NOV 9.

2. GOC PLANNING BUREAU DIRGEN (ARISTIDOU), VETERAN OF PREVIOUS IBRD NEGOTIATIONS, TELLS US THAT BANKS NEGOTIATING POSITION WAS TOUGHEST EVER. BANK TOLD CYPRIOTS THAT GOC'S HIGH FOREIGN EXCHANGE RESERVES AND PER CAPITA GNP MAKE IT IMPOSSIBLE FOR BANK TO PROVIDE THE ENTIRE \$18 MILLION FOREIGN EXCHANGE COMPONENT OF THE PROJECT. THOUGH BANK INITIALLY OFFERED \$12 MILLION, THEY CAME UP TO \$14 MILLION ON FINAL DAY OF NEGOTIATIONS.

3. BANK ALSO INSITED THAT LOAN AGREEMENT PROVIDE FOR TURKISH CYPRIOT PARTICIPATION THROUGHOUT PROJECT AND GUARANTEE COMPENSATION FOR TURKISH PROPERTY FLOODED BY NEW DAM SITE.

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4. COMMENT: UNDP, WHICH SPONSORED FEASIBILITY STUDY FOR PAPHOS PROJECT, HAD RECOMMENDED TO IBRD THAT GUARANTEES FOR TURKS BE WRITTEN INTO LOAN. WITH SOME TURKISH LAND TO BE FLOODED BY THE PROJECT, THE DEVELOPMENT OF INTERCOMMUNAL CONTROVERSY APPEARS CERTAIN. HOPEFULLY, GUARANTEES FOR TURKS AND GENUINE PARTICIPATION WILL FORESTALL SOME OF IT.
GRANT

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: WATER, DEVELOPMENT LOANS, DESALINATION, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Draft Date: 16 NOV 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973NICOSI02343
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: NICOSIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731129/aaaaauzd.tel
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Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: NICOSIA 2254
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 11 OCT 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11-Oct-2001 by rowellE0>; APPROVED <15-Nov-2001 by morefirh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
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Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: IBRD PAPHOS WATER DEVELOPMENT PROJECT LOAN
TAGS: EAID, ECON, CY, IBRD
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005